

Congress of the United States
Washington, DC 20515

July 29, 2019

Richard J. Kramer
Chairman of the Board, Chief Executive Officer, and President
The Goodyear Tire & Rubber Company
200 Innovation Way
Akron, Ohio 44316

Dear Mr. Kramer:

We are Members of Congress serving various constituencies across the United States and on various Committees in the House of Representatives. Last month, Speaker Nancy Pelosi appointed us to serve also on the House Democratic Working Group to engage with Ambassador Lighthizer to secure improvements to the renegotiated North American Free Trade Agreement (the new NAFTA or USMCA) that will bring broad, bipartisan support for passage of the bill. The Working Group's mandate is to focus on four key areas for improvement: the worker protections, environment provisions, provisions affecting affordable access to medicines, and enforcement of the entire agreement.

As part of the Working Group's efforts to meaningfully improve the deal, Ways & Means Trade Subcommittee Chairman Blumenauer led a Congressional delegation on a visit to Mexico earlier this month. To inform our negotiations with the Administration, it is important for us to see labor conditions on the ground in Mexico and hear directly from Mexican workers, especially in manufacturing sectors that have seen the highest level of outsourcing from the United States. As we have seen under 25 years of the NAFTA, if Mexico's workers do not have rights, good wages, or acceptable working conditions, American workers' rights, wages, and working conditions suffer too.

Goodyear is an iconic American company. In 2015, Goodyear announced a \$500 million investment to build a tire plant in Mexico, expected to manufacture six million tires a year. At the time of this announcement, it was stated that this plant would serve the Mexican and Brazilian markets as well as some overflow into the U.S. that the company could not supply from its domestic operations. The San Luis Potosí plant opened in 2017.

Before opening or hiring a single line worker, Goodyear had already signed a contract with a non-democratic "protection" union. Less than six months after starting its operations, conditions were so poor that workers at the plant went on a wildcat strike demanding a democratic union, higher wages, and improved conditions. Wages for the most junior workers at the plant amount to less than \$2 per hour while the highest paid production workers make just over \$6 per hour. (By contrast, the base rate for most workers under the USW Goodyear

contract in the United States is \$23 per hour. Note that thus far in 2019, Goodyear has announced and made layoffs in Danville, Virginia, and Gadsden, Alabama.)

The wildcat strike in April 2018 grew to include almost 600 of the 800 workers in the plant, over a period of 25 hours. Management agreed to address the workers' demands and the head of human resources promised that the company would not take reprisals. Two months later, however, the company systematically fired a total of 57 workers who had participated in the strike. A number of these workers refused the company's offer of severance pay and are maintaining legal demands for reinstatement.

In planning the delegation's visit, Chairman Blumenauer requested a tour of Goodyear's manufacturing plant in San Luis Potosí. Goodyear did not grant Chairman Blumenauer's request for a plant tour, offering an offsite meeting with executives instead.

While we were not able to see conditions inside the Goodyear San Luis Potosi plant for ourselves, we met with several of the workers who were fired after striking. The workers provided compelling testimony about the poor working conditions, lack of protective gear and safety and overall training provided to workers, non-reporting of hazards, deductions that are taken from already low wages, and discrimination and harassment (directed at women workers especially) at the Goodyear facility.

We are disappointed that Goodyear was unwilling to accommodate our request for a plant tour and that the security team also rejected our in-person request during our visit to San Luis Potosí on Saturday, July 20. We are also disappointed that an iconic American company like Goodyear, which is shedding jobs at home in America while building new facilities in Mexico, is failing to provide its workers in Mexico with basic labor rights that are recognized internationally and under Mexican law.

What is happening at Goodyear highlights the deeply-ingrained problems with Mexico's labor market. Workers are routinely mis-treated and paid wages that are shockingly low, in light of Mexico's wealth relative to other Latin American countries where average workers' wages are actually higher.

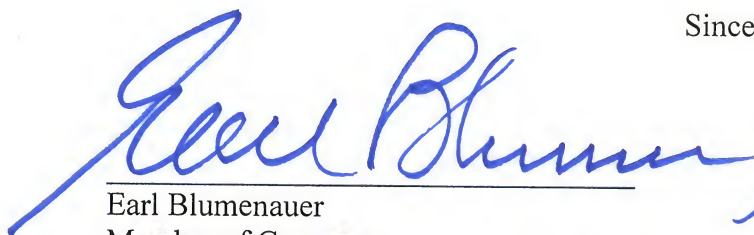
Mexico is currently in the midst of implementing new and ambitious labor justice reforms that are intended to enable its workers to realize democratic association and bargaining rights. In the meantime, the U.S. Congress is preparing to consider approval for a new NAFTA deal. Current Mexican law already requires that basic rights be provided to workers. What is going on at Goodyear in San Luis Potosí undermines our confidence and hope in the promise of the reforms. While we are told that Mexico's labor reforms and a renewed NAFTA will lead to positive change in Mexico and in America, what we saw at Goodyear clearly illustrates the entrenched way of doing business in Mexico that is based on exploiting a powerless workforce.

We will of course continue to explore ways to support Mexico's implementation of its labor reform and to improve the USMCA's worker provisions. However, companies operating in Mexico – especially American companies like Goodyear – must do their part to change the practices of the past. Without corporate commitment to reform labor conditions and practices in

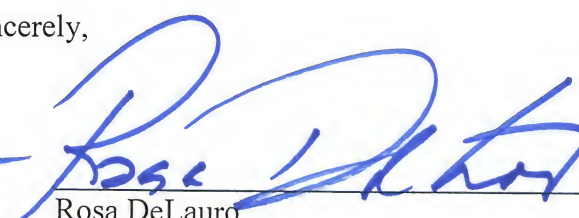
Mexico, the new NAFTA will be stymied by many of the same problems as the old NAFTA. Corporate accountability must drastically improve, or we could be right back here, renegotiating NAFTA again in the near future.

Accordingly, with our important responsibilities as part of the Speaker's Working Group in mind, we ask that Goodyear provide a formal response to the allegations made by former Goodyear workers regarding poor working conditions, inadequate wages, illegal termination, and discrimination at the San Luis Potosí plant. We further request that you inform us what percentage of the tire production coming out of San Luis Potosí is being exported to the U.S. and what effect this will have on existing U.S. operations. We request your responses to this letter and our questions within two weeks.

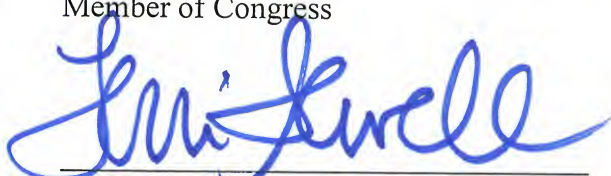
Sincerely,



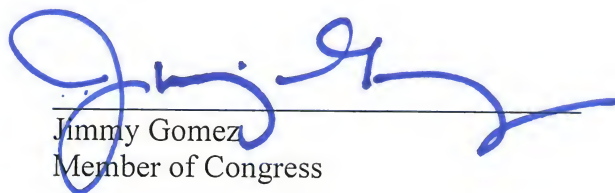
Earl Blumenauer
Member of Congress



Rosa DeLauro
Member of Congress



Terri A. Sewell
Member of Congress



Jimmy Gomez
Member of Congress

Cc:

The Honorable Robert E. Lighthizer
U.S. Trade Representative
600 17th Street, NW
Washington, D.C. 20508